GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Extension of certain incentives under Industrial Development Policy 2015-20 to M/s. Santhiram Chemicals Private Limited to establish a manufacturing plant of Precipitated and Nano Precipitated Calcium carbonate with a total capacity of 2000 TPD with a capital investment of INR 900 Crore – Orders- Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.147 Dated:31-10-2016

Read the following:-

(1) From the Chairman/Managing Director M/s. Santhiram Chemicals Private Limited,Dt:30.06.2016 & 20.07.2016 and email dt:21.07.2016.
(2) Empowered Committee of Secretaries Meeting held on 25.07.2016.
(3) State Investment Promotion Board Meeting held on 29.07.2016.

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O R D E R

In the reference 1st read above, M/s. Santhiram Chemicals Private Limited have informed that they proposed to establish a manufacturing plant of Precipitated and Nano Precipitated Calcium carbonate with a total capacity of 2000 TPD at a capital investment of INR 900 Crore and employment generation of 650 direct and 4000 indirect jobs. While stating that the Government of Andhra Pradesh vide G.O. Ms. No.84, Rev. (Assn.V) Department., dt:23.02.2016 has allotted 150 acres of unassessed waste land in Kondajuturu village Panyam Mandal, Kurnool District, the Company requested for the following:

(i) All incentives as per the Andhra Pradesh Industrial Policy 2015-20 to be provided
(ii) Provision of 20% capital subsidy on amount spent on plant and machinery
(iii) Reimbursement of 100% VAT/CST/SGST for period of 10 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment whichever is earlier.
(iv) Fixed power cost reimbursement at the rate of Rs. 1.50 per unit for 10 years from the date of commencement of commercial production.
(v) 100% reimbursement of electricity duty for 7 years
(vi) Seed capital assistance to first generation entrepreneurs @25% of the machinery cost which will be deducted from the Investment subsidy.
(vii) Interest subsidy on term loan on fixed capital investment in excess of 3% per annum subject to maximum reimbursement of 9% per annum for a period of 10 years from the date of commencement of commercial production
(viii) Infrastructure like Power, Roads and Water to be provided at doorstep of industry with Government of Andhra Pradesh contributing 50% of the cost of infrastructure mentioned below. The cost estimates were prepared by Rajeev Gandhi Memorial College of Engineering &Technology.
(ix) Required power line connection is 11/33 KVA. The distance from the nearest point is around 5 KM. Financial estimates for providing power connection is Rs 2 Crore.
(x) Santhiram Chemicals requests for the strengthening of the 6 km approach road that will connect them to NH 18. Financial estimates for strengthening the 6KM approach road is Rs. 9 Crore.
(xi) The company proposes to utilize the Gorukal Water reservoir as it is the nearest water source. For this Santhiram Chemicals requires a pipeline of around 4 KM. Estimated cost for laying the HDPE Pipe line will be Rs. 1.5 Crore.
(xii) 5% of water in nearby existing or future reservoirs / Canals should be allocated to Santhiram Chemicals. The total requirement of water is 25.3 MLD. They will be meeting 90% of the water requirement through groundwater and the remaining is proposed to be sourced through water connection. Assuming320 working days the total water required per year through piped water connection is 810 Million Liters per annum.
(xiii) Request for allotment of mining land for captive use on a priority basis.
(xiv) All the benefits, incentives should be extended for expansion/ diversification/ modernization of the unit.

(P.T.O)

2. In the reference 2nd read above, the Empowered Committee of Secretaries has discussed the proposal of M/s. Santhiram Chemicals Private Limited and has recommended the following incentives/benefits for the unit to the SIPB:

(i) To consider it as a Mega Project under the Industrial Development Policy 2015-20, taking into account the investment planned over a period of 3 years, as a special case. However, the special incentives will be made available to the unit subject to the condition that the unit should invest a minimum of Rs.500 crore by March 2019, failing which whatever special package of incentives utilized over and above the Policy will be adjusted in the future claims / recovered from the unit.

(ii) Reimbursement of 100 % NET VAT & CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(iii) Reimbursement of one time land conversion cost from Agriculture to Industrial use

(iv) 75% external infrastructure cost as per the estimates indicated below or the actual, whichever is less :
   (a) Power line connection is 11/33 KVA(5km, Rs. 2 crore) limited to Rs. 1.5 crore.
   (b) Strengthening of the 6 km approach road that will connect them to NH 18 (6KM, Rs. 9 crore) limited to Rs. 6.75 crore.
   (c) The Gorukal Water reservoir as it is the nearest water source. For this Santhiram Chemicals requires a pipeline (4 KM, Rs. 1.5 crore) limited to Rs. 1.13 crore.

(v) 50% subsidy for sustainable green measures as specified in the IDP 2015-20 Policy with ceiling of INR 50 Cr.

(vi) Industries Department to facilitate the Company to get the required water supply from Irrigation Department from Gorukal Reservoir.

(vii) All other incentives as per IDP 2015-20 Policy.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) has discussed the proposal of M/s. Santhiram Chemicals Private Limited in detail and decided to extend the following incentives:

(i) SIPB noted that many industries are requesting for enhancement of the existing time period of 6 months for investing Rs.500 crore capital required to qualify as Mega Project. The board after detailed discussions, decided to issue an amendment to the Policy enhancing the time limit for investing Rs.500 crore capital from 6 months to 18 months from the Date of Commencement of Commercial Production.

(ii) To consider it as a Mega Project under the Industrial Development Policy 2015-20, taking into account the investment planned over a period of 3 years, as a special case. However, the special incentives will be made available to the unit subject to the condition that the unit should invest a minimum of Rs.500 Crore by March 2019, failing which whatever special package of incentives utilized over and above the Policy will be adjusted in the future claims / recovered from the unit.

(iii) Reimbursement of 100 % NET VAT&CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(iv) Reimbursement of one time land conversion cost from Agriculture to Industrial use .

(v) 75% external infrastructure cost as per the estimates indicated below or the actual, whichever less.
   (a) Power line connection is 11/33 KVA (5km, Rs. 2 cr.) limited to Rs. 1.5 Crore.
   (b) Strengthening of the 6 km approach road that will connect them to NH 18 (6KM, Rs. 9 Crore.) limited to Rs. 6.75 Crore.
   (c) Pipeline from Gorukal Water reservoir to project site (4 KM, Rs. 1.5 Crore) limited to Rs. 1.13 Crore.

(contd.P.3)

(vi) 50% subsidy for sustainable green measures as specified in the IDP 2015-20 Policy with ceiling of INR 50 Crore.

(vii) Engineer –in-Chief, Irrigation informed that 10 TMC water is available from Gorukal Reservoir and Irrigation Department has been advised to make necessary allocation of water to the unit.

(viii) All other incentives as per IDP 2015-20 Policy.

4. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby consider the manufacturing plant of Precipitated and Nano Precipitated Calcium carbonate with a total capacity of 2000 TPD with a capital investment of INR 900 Crore by M/s. Santhiram Chemicals Private Limited in Kurnool District as a Mega Project under the Industrial Development Policy 2015-20, taking into account the investment planned over a period of 3 years, as a special case and extend the following incentives:

(i) Reimbursement of 100 % NET VAT & CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.

(ii) Reimbursement of one time land conversion cost from Agriculture to Industrial use

(iii) 75% external infrastructure cost as per the estimates indicated below or the actual, whichever is less
   (a) Power line connection is 11/33 KVA(5km, Rs. 2 crore) limited to Rs. 1.5 Crore
   (b) Strengthening of the 6 km approach road that will connect them to NH 18 (6KM, Rs. 9 Crore.) limited to Rs. 6.75 Crore.
   (c) Pipeline from Gorukal Water reservoir to project site (4 KM, Rs. 1.5 crore) limited to Rs. 1.13 Crore.

(iv) 50% subsidy for sustainable green measures as specified in the Industrial Development Policy 2015-20 with ceiling of INR 50 Crore.

(v) Engineer –in-Chief, Irrigation informed that 10 TMC water is available from Gorukal Reservoir and Irrigation Department has been advised to make necessary allocation of water to the unit.

(vi) All other incentives as per Industrial Development Policy 2015-20 Policy.

5. The above sanctioned special incentives will be made available to the unit subject to the condition that the unit should invest a minimum of Rs.500 Crore by March 2019, failing which whatever special package of incentives utilized over and above the Policy will be adjusted in the future claims / recovered from the unit.

6. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETART TO GOVERNMENT & CIP

To
The Director of Industries, A.P. Andhra Pradesh, Hyderabad.
M/s. Santhiram Chemicals Private Limited through the Director of Industries, A.P. Andhra Pradesh, Hyderabad.
The Engineer –in-Chief, Irrigation, PWD Grounds, Vijayawada.
Copy to:
The Finance (FMU-Rev.IC) Department, A.P. Secretariat, Velagapudi.
The Revenue (CT) Department, A.P. Secretariat, Velagapudi.
The Revenue (Registration) Department, A.P. Secretariat, Velagapudi.
The Energy, I&I (Energy) Department, A.P. Secretariat, Velagapudi
The TR&B Department, A.P. Secretariat, Velagapudi.
The Water Resources Department, A.P. Secretariat, Velagapudi.
The Law (H) Department, A.P. Secretariat, Velagapudi.

(P.T.O)

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The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Vijayawada.
The Collector & District Magistrate, Kurnool District.
The General Manager, District Industries, Centre, Kurnool District.
The Zonal Manager, Andhra Pradesh Industrial Infrastructure Corporation., Kurnool District.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government .
P.S. to Secretary to Government & CIP, Industries & Commerce Department.
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER